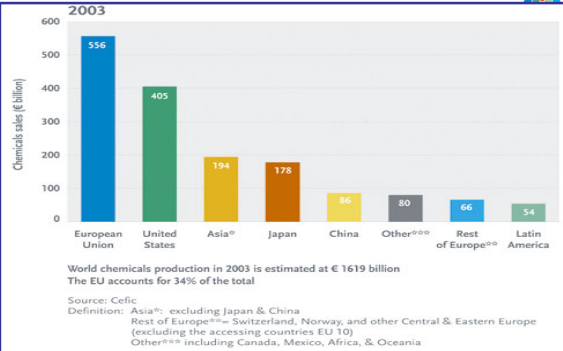


Implementing REACH and Implications for European Industry

Lena Perenius, Director Implementation of Legislation



Geographic breakdown of world chemical sales



The European Chemical Industry



- **Employs 1.7 million people directly, several more indirectly**
- **About 25.000 companies**
- **94% of all chemical companies employ fewer than 250 people and account for 27% of employment**

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A High Volume Producer



- Focused range of chemicals, top of supply chain
- (very) large volumes
- building blocks for the industry but also wide dispersive uses with difficult supply chains
- Minimal discontinuity in production runs
- Subject to many Regulations with reasonable baseline for data needs and experience with risk assessment framework

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Speciality Producers/SME



- diverse range of products
- New Substances and associated processes
- limited production runs
- specific/confidential product use
- Variable amount do data
- Minimal experience or resource for risk assessment
- Highly sensitive to costs of REACH

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Downstream Users



- Preparation focus
- Multiple chemicals and information overload
- Sensitive to discontinuity of supply
- Confidentiality of composition
- Variable knowledge of exposure in use
- Pressure from retailers
- Testing in animals may be a problem

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Business Impact



- **20% of the total chemical industry will carry over 80% of the costs of testing and administration**
- **The main companies affected are in the fine and speciality sector**

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Business Impact



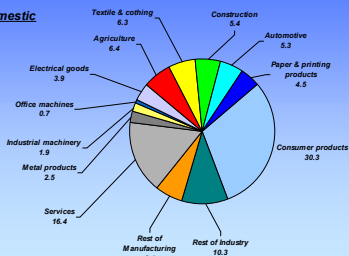
- **Chemical Industry supplies virtually all sectors of the economy**
- **Effects cascade down to users**

8



EU chemical* industry supplies virtually all sectors of the economy

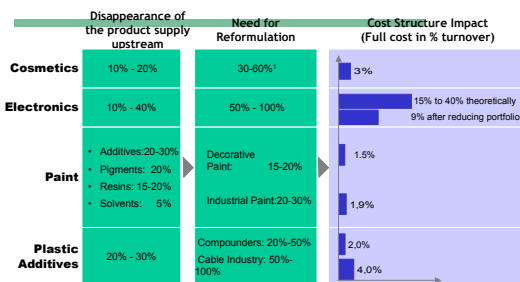
% of chemical domestic consumption



* Including pharmaceuticals

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Formulators must reexamine and re-qualify 20% to 100% of their formulations



¹ Sources: Mercer studies of pilot companies 2004

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Practical Implementation



EU Commission's Interim Strategy

- **REACH Implementation Projects (to prepare all stakeholders for the practical implementation of REACH)**
- **Strategic Partnership on REACH Testing (SPORT)**

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